



# Marmota Energy Limited and Controlled Entities

## Annual Financial Report

30 June 2009

### CORPORATE DIRECTORY

#### **Marmota Energy Limited**

ACN 119 270 816  
ABN 38 119 270 816  
Incorporated in SA

#### **Registered Office**

140 Greenhill Road  
UNLEY SA 5061  
Telephone: (08) 8373 5588  
Facsimile: (08) 8375 3999

Email: [info@marmotaenergy.com.au](mailto:info@marmotaenergy.com.au)

#### **Share Registrar**

Computershare Investor Services Pty Ltd  
Level 5, 115 Grenfell Street  
ADELAIDE SA 5000  
Telephone: 1300 556 151  
(For overseas shareholders 61 3 9415 5000)  
Facsimile: (08) 8236 2305

Email: [info@computershare.com.au](mailto:info@computershare.com.au)

#### **Auditor**

Grant Thornton  
Chartered Accountants  
67 Greenhill Road  
Wayville SA 5034

# Marmota Energy Limited and controlled entities

## Directors' Report

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The Directors present their report together with the financial report of Marmota Energy Limited ("the Company") and controlled entities for the year ended 30 June 2009 and the auditor's report thereon.

### **Directors**

The Directors of the Company at any time during or since the end of the financial year are as set out below. Details of Directors' qualifications, experience and special responsibilities are as follows.

**Mr Robert Michael Kennedy** *ASAIT, Grad. Dip (Systems Analysis), FCA, ACIS, Life member AIM, FAICD.*

*Non-executive Chairman.* A chartered accountant and consultant to Kennedy & Co, Chartered Accountants, a firm he founded. He joined Marmota Energy Limited in April 2006 as Non-executive Chairman. Chairman of Beach Petroleum Limited (since 1995 and a Director since 1991), Flinders Mines Limited (since 2001), Ramelius Resources Limited (since 1995), Maximus Resources Limited (since 2004), Eromanga Uranium Limited (since 2007) and Monax Mining Limited (since 2004). His special responsibilities include membership of the Audit and Corporate Governance Committee and the Remuneration and Nomination Committee. Mr Kennedy brings to the Board his expertise in finance and management consultancy and extensive experience as chairman and non-executive director of a range of listed public companies including the resources sector. Mr Kennedy leads the development of strategies for the development and future growth of the Company.

**Mr Reginald George Nelson** *BSc, Hon Life Member Society of Exploration Geophysicists, FAusIMM, FAICD.*

*Non-executive Director.* Board member since 28 April 2006. Mr Nelson is an exploration geophysicist with experience spanning four decades in most aspects of the petroleum and minerals industries. He was awarded honorary Life Membership of the Society of Exploration Geophysicists in 1989 and the Prime Minister's Centenary Medal in 2002 for services to mining. He has wide experience in technical, corporate and government affairs. He was Chairman of the Australian Petroleum Production and Exploration Association from 2004 to 2006 and is a Director of the APPEA Executive Committee and remains a member of its Council. He was recently awarded the Reg Sprigg Medal for outstanding contribution to the oil and gas industry at the 2009 APPEA Conference in Darwin.

Special responsibilities include membership of the Remuneration and Nomination Committee.

Other listed company directorships are: Managing Director of Beach Petroleum Limited (since 1992) and Director of Anzon Australia Limited (between 2004 and December 2005), Ramelius Resources Limited (since 1995) and Monax Mining Limited (since 2004).

**Mr Glenn Stuart Davis** *LLB, BEc*

*Non-executive Director.* Board member since 28 April 2006. Mr Davis is a solicitor and a partner of DMAW Lawyers, a firm he founded. Mr Davis brings to the Board his expertise in the execution of large legal and commercial transactions and his expertise and experience in corporate activity regulated by the Corporations Act and ASX Ltd. He also has specialist skills and knowledge about the resources industry.

Special responsibilities include membership of the Audit and Corporate Governance Committee.

Other listed company directorships are: Deputy Chairman Beach Petroleum Limited (since June 2009 and a Director since July 2007) and Director of Monax Mining Limited (since 2004).

**Dr Neville Foster Alley** *Phd, PSM*

*Executive Technical Director.* Board member since 28 April 2006. Dr Alley is an internationally known earth science researcher and was awarded the Verco Medal for his contribution and leadership in the earth sciences and the Public Service Medal (PSM) in 2005 for outstanding contribution to geology and the minerals industry. He has extensive experience at senior levels in Government in Canada and as Director, Minerals, MESA and PIRSA and has a high level understanding of Government policy, regulation and legislation. He made a significant contribution in setting the SA Government's strategies for reinvigorating the minerals industry and led the development of Government initiatives such as TEISA and PACE. Dr Alley has worked closely with Aboriginal people and the community in developing a higher profile for the resources industry.

Other listed company directorships are: InterMet Resources Limited (since 2004 until August 2008), Beach Petroleum Limited (since July 2007) and Monax Mining Limited (since 2005) and is a Visiting Research Fellow, School of Earth and Environmental Sciences, The University of Adelaide.

## Marmota Energy Limited and controlled entities

### Directors' Report (continued)

#### Mr Domenic Joseph Calandro BSc, ASEG

Managing Director. Board member since 9 July 2007. Experience of 14 years in the management, processing, and provision of geophysical data and information with a strong record of project outcome delivery. He has significant geoscience expertise, with experience advising mineral explorers on appropriate geophysical methods and tools to use in exploration for a variety of commodities. He has most recently held the position of Chief Mineral Geophysicist for the South Australian Government where he was responsible for the design and management of a variety of large-scale Government geophysical acquisition programs, which were successfully completed as part of the SAEI and TEISA initiatives. As Manager of the geoscience data and information systems for the South Australian Government, he contributed to the reduction of exploration risk for mineral explorers in the state. Mr Calandro was also the Manager of the highly successful PACE initiative, which featured a collaborative drilling program, large-scale geophysical acquisition projects and innovative data management and delivery improvement programs.

#### Ms Roseanne Celeste Healy

*Alternate Director for Glenn Stuart Davis (Appointed 5 March 2009).*

Ms Healy is an experienced company director and Chair of Government, industry, not for profit and private sector boards in the areas of resources and energy, research and development, agribusiness and wine, racing and general practice.

Roseanne regularly advises Boards and Executive Management on strategy, business management, corporate governance and corporate social responsibility.

Other listed company directorships are: A director of Cheviot Kirribilly Vineyard Property Group (since April 2008), Tidewater Funds Management Ltd (since April 2008) and an Alternate Director of Maximus Resources Limited (since March 2009).

#### Mr Andrew Joseph Andrejewskis

*Alternate Director for Reginald George Nelson (Appointed 5 March 2009).*

Mr Andrejewskis is an experienced senior executive in both the the government and the resource sector holding the position of Director-General/CEO, Mines and Energy, SA (1995-1997) and former Managing Director of SAPEX Limited (2005-2009).

Other listed company directorships are: An Alternate Director for Flinders Mines Limited (since March 2009).

### Directors' meetings

The Company held 19 meetings of Directors (including committees of Directors) during the financial year. The number of Directors' meetings and number of meetings attended by each of the Directors of the Company (including committees of Directors) during the financial year were as follows:

Director	Directors' Meetings		Audit and Corporate Governance Committee Meetings		Remuneration and Nomination Committee Meetings		Independent Board Committee Meetings	
	<i>Number Eligible to attend</i>	<i>Number Attended</i>	<i>Number Eligible to attend</i>	<i>Number Attended</i>	<i>Number Eligible to attend</i>	<i>Number Attended</i>	<i>Number Eligible to attend</i>	<i>Number Attended</i>
Robert Michael Kennedy	14	14	3	3	1	1	-	-
Reginald George Nelson	14	14	-	-	1	1	-	-
Glenn Stuart Davis	14	14	3	3	-	-	-	-
Neville Foster Alley	14	13	-	-	-	-	-	-
Domenic Joseph Calandro	14	14	-	-	-	-	1	1
Andrew Joseph Andrejewskis	1	1	-	-	-	-	1	1
Roseanne Celeste Healy	1	1	-	-	-	-	1	1

Messrs Davis and Kennedy are members of the Audit and Corporate Governance Committee and Messrs Nelson and Kennedy are members of the Remuneration and Nomination Committee.

Mr Andrejewskis and Ms Healy were present in meetings in the capacity of Alternate Directors.

## **Marmota Energy Limited and controlled entities**

### **Directors' Report (continued)**

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#### ***Company Secretary***

The following persons held the position of Company Secretary at the end of the financial year.

**Virginia Katherine Suttell** – *B.Comm., ACA*. Appointed Company Secretary and Chief Financial Officer on 21 November 2007. A Chartered Accountant with 16 years experience working in public practice and in commerce with a publicly listed entity in the media industry.

#### ***Principal activities***

The company's principal activity is minerals exploration.

#### ***Review and results of operations***

During the period, Marmota Energy Limited has continued to build a strong foundation as an integrated precious metal and uranium exploration specialist. The 2008-09 financial year saw Marmota Energy Limited move forward, maintaining its momentum and delivering focused exploration programs across the Company's portfolio of exploration assets.

Drilling was completed on the Company's Mulyungarie project, 18 kilometres southeast of the Honeymoon uranium mine, defining a new zone of uranium mineralisation not previously known.

Reconnaissance drill testing of the first of a number of copper gold basement targets on Ambrosia was completed, confirming the presence of mineralisation. The results returned from this program confirm the potential for both precious and base metal mineralisation on the Ambrosia project.

A new joint venture has been negotiated between Monax Mining Limited and Marmota Energy Limited on its Melton IOCGU project in the northern Yorke Peninsula. The Company considers this region prospective for the discovery of new deposits of copper, gold and uranium. More recently the prospectivity of the region, in particular the Pine Point Fault, has been demonstrated by the discovery of significant copper-gold-uranium mineralisation by Rex Minerals at their Hillside Project on eastern Yorke Peninsula. Under the terms of the agreement Marmota Energy Limited has the right to earn a 50% interest across all commodities in the Melton tenement by spending a total of \$400,000 over a period of two years. As part of its earn in requirement, Marmota Energy Limited plans to immediately undertake a program of detailed geophysical data acquisition across the tenements to better define anomalies and identify targets intended for drill testing soon after.

The Company has increased its tenement holding in the prospective Lake Frome region in South Australia. The new licences are 100% owned by Marmota Energy Limited and are in close proximity to the Beverley uranium mine and Beverley Four Mile deposit. In addition, three new tenements with listed gold and uranium occurrences have been confirmed to Marmota Energy Limited on the highly strategic Eyre Peninsula.

#### ***Results***

During the year, the Company continued exploration activities at its tenements, total cash expenditure on exploration and evaluation activities totalled \$3,319,750.

The net loss after income tax was \$216,344 (2008: \$557,425).

#### ***Dividends***

No dividends have been paid or provided by the Company since the end of the previous financial year.

#### ***State of affairs***

There have been no significant changes in the state of affairs of the Company during the year.

#### ***Events subsequent to balance date***

There has not arisen any matters or circumstances, since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of the Company in future years.

## Marmota Energy Limited and controlled entities

### Directors' Report (continued)

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#### *Likely developments*

Further information about likely developments in the operations of the Company and the expected results of those operations in future years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

#### *Environmental regulation and performance statement*

The Company's operations are subject to significant environmental regulations under both Commonwealth and South Australian legislation in relation to discharge of hazardous waste and materials arising from any mining activities and development conducted by the Company on any of its tenements. To date the Company has only carried out exploration activities and there have been no known breaches of any environmental obligations.

#### *Indemnification and insurance of officers*

##### **Indemnification**

The Company is required to indemnify the Directors and other officers of the Company against any liabilities incurred by the Directors and officers that may arise from their position as Directors and officers of the Company. No costs were incurred during the year pursuant to this indemnity.

The Company has entered into deeds of indemnity with each Director whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each Director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

##### **Insurance premiums**

Since the end of the previous year the Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts.

The terms of the policies prohibit disclosure of details of the amount of the insurance cover, the nature thereof and the premium paid.

#### *Proceedings on behalf of the Company*

No person has applied to the Court for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. The Company was not a party to any such proceedings during the year.

#### *Non-audit services*

There were no non-audit services provided by the external auditors during the year ended 30 June 2009.

#### *Auditor of the Company*

The auditor of the Company for the financial year was Grant Thornton.

#### *Auditor's independence declaration*

The auditor's independence declaration as required by section 307C of the Corporations Act 2001 for the year ended 30 June 2009 is set out immediately following the end of the Directors' report.

#### *Options*

At the date of this report unissued ordinary shares of the Company under option are:

Expiry date*	Exercise price	Number of Options	Vested	Unvested	Amount Paid/Payable by recipient (\$)
11/07/2012	\$0.40	28,000,000	28,000,000	-	-
23/12/2013	\$0.04	625,000	625,000	-	-

\* All options may be exercised at any time before expiry subject to escrow restrictions. Option holders will receive one ordinary share in the capital of the Company for each option exercised.

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During or since the end of the financial year, no ordinary shares were issued by the Company as a result of the exercise of options. There were no amounts unpaid on shares issued.

## **Marmota Energy Limited and controlled entities**

### **Directors' Report (continued)**

#### **Remuneration Report - Audited**

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##### ***Remuneration policy***

The remuneration policy of Marmota Energy Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering other incentives based on performance in achieving key objectives as approved by the Board. The Board of Marmota Energy Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The Company's policy for determining the nature and amounts of emoluments of board members and other key management personnel of the Company is as follows.

The Company's Constitution specifies that the total amount of remuneration of Non-executive Directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of Non-executive Directors has been set at \$400,000 per annum. Directors may apportion any amount up to this maximum amount amongst the Non-executive Directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as Directors. The remuneration of the Managing Director is determined by the Non-executive Directors on the Remuneration and Nomination Committee and approved by the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of other executive officers and employees is determined by the Managing Director subject to the approval of the Board.

Non-executive Director remuneration is by way of fees and statutory superannuation contributions. Non-executive Directors do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Remuneration and Nomination Committee is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel.

The Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of Marmota Energy Limited given the nature of the Company's business as a mineral exploration entity and the current status of its activities. However the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

The Company also has an Employee Share Option Plan approved by shareholders that will enable the Board to offer eligible employees options to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options for ordinary fully paid shares may be offered to the Company's eligible employees at no cost unless otherwise determined by the Board in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company.

The employment conditions of the Managing Director, Mr Calandro and Executive Director Dr Alley are formalised in contracts of employment. The base salaries as set out in the employment contracts are reviewed annually. The Managing Director's contract may be terminated at any time by mutual agreement. The Executive Director's contract was renewed during the period for a term of one year, expiring December 2009, which may be extended by the Board. The Company may terminate these contracts without notice in serious instances of misconduct.

##### **Shares issued on exercise of remuneration options**

No shares were issued to Directors as a result of the exercise of remuneration options during the financial year.

##### **Directors' interests in shares and options**

Directors' relevant interests in shares and options of the Company are disclosed in Note 5 of the Financial Report.

## Marmota Energy Limited and controlled entities

### Directors' Report (continued)

### Remuneration Report – Audited (continued)

#### Options granted as remuneration

Apart from the options granted to Directors in their capacity as employees of the Company under the Employee Share Option Plan as detailed in Note 20, no other options were granted to Directors or key management personnel of the Company during the financial year.

#### Remuneration of Directors and key management personnel

##### (a) Directors and key management personnel

The names and positions held by Directors and key management personnel of the Company during the financial year are:

Directors	Position
Mr RM Kennedy	Chairman – Non-executive
Mr RG Nelson	Director – Non-executive
Mr GS Davis	Director – Non-executive
Dr NF Alley	Director – Executive
Mr DJ Calandro	Managing Director – Executive
Mr AJ Andrejewskis	Alternate Director
Ms RC Healy	Alternate Director
Key Management Personnel	
Ms VK Suttell	Chief Financial Officer / Company Secretary

##### (b) Directors' remuneration

2009 primary benefits	Directors fees	Salary	Cash bonus		Super contributions	Options	Total
			\$	Non cash items			
	\$	\$	\$	\$	\$	\$	\$
<b>Directors</b>							
Mr RM Kennedy	67,431	-	-	-	6,069	-	73,500
Mr RG Nelson	38,532	-	-	-	3,468	-	42,000
Mr GS Davis*	42,000	-	-	-	-	-	42,000
Dr NF Alley	-	104,359	-	-	9,392	-	113,751
Mr DJ Calandro	-	196,163	1,000	30,092	13,745	9,500	250,500
Mr AJ Andrejewskis**	5,000	-	-	-	-	-	5,000
Ms RC Healy**	5,000	-	-	-	-	-	5,000
	157,963	300,522	1,000	30,092	32,674	9,500	531,751

\* Director's Fees for Mr Davis are paid to a related entity of the Director.

\*\* Mr Andrejewskis and Ms Healy received remuneration for their services as alternate directors in the 2009 financial year.

## Marmota Energy Limited and controlled entities

### Directors' Report (continued)

### Remuneration Report – Audited (continued)

#### (b) Directors' remuneration (continued)

2008 primary benefits	Directors fees	Salary	Non cash items	Super contributions	Options	Total
	\$	\$	\$	\$	\$	\$
<b>Directors</b>						
Mr RM Kennedy	37,462	-	-	3,372	-	40,834
Mr RG Nelson	18,731	-	-	1,686	-	20,417
Mr GS Davis*	20,417	-	-	-	-	20,417
Dr NF Alley	-	80,769	-	7,269	-	88,038
Mr DJ Calandro	-	180,000	17,200	16,200	-	213,400
Mr BA Williams+	-	-	-	-	-	-
Mr NJ Smart+	-	-	-	-	-	-
	76,610	260,769	17,200	28,527	-	383,106

+ Messrs Williams and Smart were alternate directors in the 2008 financial year and received no remuneration for their services.

The Directors conclude that there are no other executives requiring disclosure other than those listed.

#### (c) Service agreements

The Managing Director was appointed in 2007. The salary was reviewed in July 2008 and set at \$240,000 per annum inclusive of superannuation guarantee contributions. There were neither post employment retirement or termination benefits previously approved by members of the Company in a general meeting nor any paid to Directors of the Company.

The Executive Director was appointed in 2007. He was contracted for a term of one year expiring in December 2008. His contract was renewed for a further term of one year, expiring in December 2009. The base salary was set at \$87,200 per annum inclusive of superannuation contributions and forms the basis for a formula used to calculate remuneration when employed for additional hours. There were neither post employment retirement or termination benefits previously approved by members of the Company in a general meeting nor any paid to Directors of the Company.

#### (d) Director related entities

##### Director related entities

During the year to 30 June 2009 the Company paid legal fees totalling \$64,218 to a Director related entity of Mr Davis.



**Marmota Energy Limited and controlled entities**  
**Directors' Report (continued)**  
**Remuneration Report – Audited (continued)**

(e) Key management personnel remuneration

	Salary and superannuation	Bonus	Non cash benefits	Total
	\$	\$	\$	\$
<b>2009 primary benefits</b>				
<b>Key management personnel excluding Directors</b>				
Ms VK Suttell*	-	-	6,650	6,650
	-	-	6,650	6,650
<b>2008 primary benefits</b>				
<b>Key management personnel excluding Directors</b>				
Ms VK Suttell*	-	-	-	-
Mr DA Francese	-	-	-	-
Mr DS Cosentino	-	-	-	-
	-	-	-	-

\* Ms Suttell was appointed as a Company Secretary and Chief Financial Officer on 21 November 2007. Ms Suttell is employed by Groundhog Services Pty Ltd to act as Company Secretary and Chief Financial Officer for Marmota Energy Limited and Monax Mining Limited. Marmota Energy Limited is charged a service fee by that entity which includes a fee for the provision of her services covering remuneration, on-costs and associated expenses relating to the secretarial and financial services provided to Marmota Energy Limited.

**Key management personnel post-employment/retirement and termination benefits**

There were no post employment retirement and termination benefits paid or payable to key management personnel.

Dated at Adelaide this 24<sup>th</sup> day of September 2009.

The Report of Directors, incorporating the Remuneration Report is signed in accordance with a resolution of the Board of Directors:

Robert Michael Kennedy  
*Director*



Grant Thornton

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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF MARMOTA ENERGY LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Marmota Energy Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b No contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON  
South Australian Partnership  
Chartered Accountants



S J Gray  
Partner

Signed at Wayville on this 24<sup>th</sup> day of September 2009

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## Marmota Energy Limited and controlled entities

### Income Statement

For the year ended 30 June 2009

	Note	Consolidated		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
Other revenues from ordinary activities	2	551,024	614,551	551,024	614,551
Total revenue					
Administration expenses	3	207,655	216,499	207,655	216,499
Consultants	3	116,663	214,183	116,663	214,183
Depreciation	3	23,358	9,107	23,358	9,107
Employment expenses	3	279,478	207,884	279,478	207,884
Occupancy expenses		3,386	25,712	3,386	25,712
Service fees	3	136,828	69,886	136,828	69,886
Other expenses from ordinary activities		-	51,350	-	51,350
<b>Profit/(loss) from ordinary activities before related income tax expense</b>		(216,344)	(180,070)	(216,344)	(180,070)
Income tax (expense)/benefit relating to ordinary activities	4	-	(377,355)	-	(377,355)
<b>Profit/(loss) from ordinary activities after related income tax expense</b>		(216,344)	(557,425)	(216,344)	(557,425)
Basic earnings per share (cents)	7	(0.18)	(0.66)	(0.18)	(0.66)
Diluted earnings per share (cents)	7	(0.18)	(0.66)	(0.18)	(0.66)

The above Income Statement should be read in conjunction with the accompanying notes.

# Marmota Energy Limited and controlled entities

## Balance Sheet

As at 30 June 2009

	Note	Consolidated		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>Current assets</b>					
Cash and cash equivalents	8	985,588	3,917,560	985,587	3,917,559
Trade and other receivables	9	407,312	658,432	504,117	755,237
Other current assets	10	18,921	15,593	18,921	15,593
Financial assets	11	7,460,890	8,000,000	7,460,890	8,000,000
<b>Total current assets</b>		<b>8,872,711</b>	<b>12,591,585</b>	<b>8,969,515</b>	<b>12,688,389</b>
<b>Non-current assets</b>					
Property, plant and equipment	12	279,024	271,157	279,024	271,157
Investments in subsidiaries	15	-	-	9,489,600	9,489,600
Investments in associates	13	1	1	1	1
Exploration and evaluation expenditure	16	14,881,192	12,146,007	5,294,788	2,559,603
<b>Total non-current assets</b>		<b>15,160,217</b>	<b>12,417,165</b>	<b>15,063,413</b>	<b>12,320,361</b>
<b>Total assets</b>		<b>24,032,928</b>	<b>25,008,750</b>	<b>24,032,928</b>	<b>25,008,750</b>
<b>Current liabilities</b>					
Trade and other payables	17	113,921	912,245	113,921	912,245
Short term provisions	18	30,235	23,759	30,235	23,759
<b>Total current liabilities</b>		<b>144,156</b>	<b>936,004</b>	<b>144,156</b>	<b>936,004</b>
<b>Non-current liabilities</b>					
Long term provisions	18	19,271	10,651	19,271	10,651
<b>Total non-current liabilities</b>		<b>19,271</b>	<b>10,651</b>	<b>19,271</b>	<b>10,651</b>
<b>Total liabilities</b>		<b>163,427</b>	<b>946,655</b>	<b>163,427</b>	<b>946,655</b>
<b>Net assets</b>		<b>23,869,501</b>	<b>24,062,095</b>	<b>23,869,501</b>	<b>24,062,095</b>
<b>Equity</b>					
Issued capital	19	22,187,511	22,187,511	22,187,511	22,187,511
Reserves		2,472,350	2,448,600	2,472,350	2,448,600
Retained profits/(losses)		(790,360)	(574,016)	(790,360)	(574,016)
<b>Total equity</b>		<b>23,869,501</b>	<b>24,062,095</b>	<b>23,869,501</b>	<b>24,062,095</b>

The above Balance Sheet should be read in conjunction with the accompanying notes.

## Marmota Energy Limited and controlled entities

### Statement of Changes in Equity

For the year ended 30 June 2009

	\$	\$	\$	\$
	Issued capital	Share options reserve	Retained profits / (losses)	Total
<b>Consolidated</b>				
<b>Balance at 1 July 2007</b>	18,005	-	(16,591)	1,414
Shares issued during the period	23,030,250	-	-	23,030,250
Options issued during the period	-	2,448,600	-	2,448,600
Options exercised during the period at \$0.25	19,751	-	-	19,751
Transaction costs associated with the issue of shares net of tax	(880,495)	-	-	(880,495)
Options expired during the period	-	-	-	-
Profit/(loss) attributable to shareholders	-	-	(557,425)	(557,425)
<b>Balance as at 30 June 2008</b>	<b>22,187,511</b>	<b>2,448,600</b>	<b>(574,016)</b>	<b>24,062,095</b>
Shares issued during the period	-	-	-	-
Options issued during the period	-	23,750	-	23,750
Transaction costs associated with the issue of shares net of tax	-	-	-	-
Options expired during the period	-	-	-	-
Profit/(loss) attributable to shareholders	-	-	(216,344)	(216,344)
<b>Balance as at 30 June 2009</b>	<b>22,187,511</b>	<b>2,472,350</b>	<b>(790,360)</b>	<b>23,869,501</b>
	\$	\$	\$	\$
	Issued capital	Share options reserve	Retained profits / (losses)	Total
<b>Parent</b>				
<b>Balance at 1 July 2007</b>	18,005	-	(16,591)	1,414
Shares issued during the period	23,030,250	-	-	23,030,250
Options issued during the period	-	2,448,600	-	2,448,600
Options exercised during the period at \$0.25	19,751	-	-	19,751
Transaction costs associated with the issue of shares net of tax	(880,495)	-	-	(880,495)
Options expired during the period	-	-	-	-
Profit/(loss) attributable to shareholders	-	-	(557,425)	(557,425)
<b>Balance as at 30 June 2008</b>	<b>22,187,511</b>	<b>2,448,600</b>	<b>(574,016)</b>	<b>24,062,095</b>
Shares issued during the period	-	-	-	-
Options issued during the period	-	23,750	-	23,750
Transaction costs associated with the issue of shares net of tax	-	-	-	-
Options expired during the period	-	-	-	-
Profit/(loss) attributable to shareholders	-	-	(216,344)	(216,344)
<b>Balance as at 30 June 2009</b>	<b>22,187,511</b>	<b>2,472,350</b>	<b>(790,360)</b>	<b>23,869,501</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Marmota Energy Limited

## Cash Flow Statement

For the year ended 30 June 2009

	Note	Consolidated		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Cash receipts in the course of operations		-	-	-	-
Cash payments in the course of operations		(654,765)	(679,155)	(654,766)	(679,156)
Interest received		773,986	210,130	773,986	210,130
<b>Net cash provided by/(used in) operating activities</b>	23(b)	119,221	(469,025)	119,220	(469,026)
<b>Cash flows from investing activities</b>					
Payments for plant and equipment		(138,492)	(231,415)	(138,492)	(231,415)
Payments for exploration and evaluation assets		(3,319,750)	(1,902,158)	(3,319,750)	(1,902,158)
Loans to related entities		(67,603)	(97,018)	(67,603)	(193,822)
Loans repaid to related entities		(64,458)	(96,804)	(64,458)	-
<b>Net cash provided by/(used in) investing activities</b>		(3,590,303)	(2,327,395)	(3,590,303)	(2,327,395)
<b>Cash flows from financing activities</b>					
Proceeds from issue of shares through IPO applicants		-	15,000,000	-	15,000,000
Proceeds from issue of shares through seed capitalists		-	830,250	-	830,250
Proceeds from issue of shares		-	19,751	-	19,751
Payment of transaction costs associated with capital raising		-	(1,139,928)	-	(1,139,928)
<b>Net cash provided by/(used in) financing activities</b>		-	14,710,073	-	14,710,073
<b>Net increase/(decrease) in cash held</b>		(3,471,082)	11,913,653	(3,471,083)	11,913,652
<b>Cash at the beginning of the financial year</b>		11,917,560	3,907	11,917,560	3,907
<b>Cash at the end of the financial year</b>	23(a)	8,446,478	11,917,560	8,446,477	11,917,559

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

# Marmota Energy Limited and controlled entities

## Notes to the financial statements

For the year ended 30 June 2009

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### 1 *Statement of significant accounting policies*

The financial report includes the consolidated financial statements and notes of Marmota Energy Limited and controlled entities ('consolidated group' or 'Group'), and the separate financial statements of Marmota Energy Limited as an individual parent entity ('parent entity').

#### (a) *Basis of preparation*

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standard Board (AASB) and the Corporations Act 2001.

The following report covers the economic entity, Marmota Energy Limited, a listed public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### (b) *Principles of consolidation*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Marmota Energy Limited ('parent entity') as at 30 June 2009 and the result of all subsidiaries for the year then ended. Marmota Energy Limited and its subsidiaries together are referred to in this financial report as the Group or consolidated group.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. All inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. A list of controlled entities is contained in Note 15 to the financial statements.

Accounting policies of subsidiaries are consistent with those adopted by the parent entity.

#### (c) *Income tax*

The income tax expense (benefit) for the year comprises current income tax expense/(income) and deferred income tax (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted at reporting date.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax (expense)/benefit is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

# Marmota Energy Limited and controlled entities

## Notes to the financial statements

### For the year ended 30 June 2009

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Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Income Statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

#### **(d) Plant and equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

##### ***Plant and equipment***

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

##### ***Depreciation***

All fixed assets are depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<i>Class of fixed asset</i>	<i>Depreciation rate</i>
Plant and equipment	5% – 33%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance Sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Income Statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.



# Marmota Energy Limited and controlled entities

## Notes to the financial statements

For the year ended 30 June 2009

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### (e) *Exploration and evaluation expenditure*

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs are determined on the basis that the restoration will be completed within one year of abandoning the site.

### (f) *Leases*

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

### (g) *Financial instruments*

#### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the entity becomes a party to the provisions to the instrument. For financial assets this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through the profit or loss', in which case the costs are expensed to the profit and loss immediately.

#### *Classification and subsequent measurement*

Financial instruments are subsequently measured at either of fair value, amortised cost using the interest rate method or cost. Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties. Where available, quoted prices, in an active market are used to determine fair value.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

- (i) **Held-to-maturity investments**  
Held-to-maturity investments are non derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.
- (ii) **Financial Liabilities**  
Non-derivative financial liabilities are subsequently measured at amortised cost.

#### *Impairment*

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

# Marmota Energy Limited and controlled entities

## Notes to the financial statements

For the year ended 30 June 2009

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**(h) Impairment of assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

**(i) Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year are measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

**Equity settled compensation**

The Group operates equity settled share-based payment employee share option schemes. The fair value of options is ascertained using the Black-Scholes pricing model which incorporates all market vesting conditions.

**(j) Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**(k) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**(l) Revenue**

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of goods and services tax (GST).

**(m) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated in the Balance Sheet inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(n) Interests in joint ventures**

The Consolidated Group's share of the assets, liabilities, revenues and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements. Details of the Groups' interests are shown at Note 14.

**(o) Investments in associates**

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the Group's share of post-acquisition reserves and profits/ (losses) of its associates.

# Marmota Energy Limited and controlled entities

## Notes to the financial statements

For the year ended 30 June 2009

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**(p) Earnings per share**

*(i) Basic earning per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

*(ii) Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

**(q) Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(r) Critical accounting estimates and judgements**

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends of economic data, obtained both externally and within the Group.

*Key estimates – impairment*

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

The group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

**(s) New accounting standards for application in future periods**

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Groups' Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe that impairment will result however.
- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 10 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Group. If an entity has made a prior period adjustment or reclassification, a third balance sheet at the beginning of the comparative period will be required.
- AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.

# Marmota Energy Limited and controlled entities

## Notes to the financial statements

### For the year ended 30 June 2009

#### (s) *New accounting standards for application in future periods (continued)*

- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008)(AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial statements.

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>2</b>				
<b><i>Revenue from ordinary activities</i></b>				
<b>Other revenues:</b>				
<b><i>From operating activities</i></b>				
Interest received from other parties	551,024	614,551	551,024	614,551
Other revenue	-	-	-	-
<b>Total revenue from ordinary activities</b>	<b>551,024</b>	<b>614,551</b>	<b>551,024</b>	<b>614,551</b>
<b>3</b>				
<b><i>Profit from ordinary activities before income tax expense has been determined after</i></b>				
<b><i>Expenses</i></b>				
Administration expenses				
ASX fees	15,147	50,486	15,147	50,486
Share registry fees	35,526	31,983	35,526	31,983
Insurance	34,991	23,096	34,991	23,096
Audit and other services	23,000	23,400	23,000	23,400
Other	98,991	87,534	98,991	87,534
	<b>207,655</b>	<b>216,499</b>	<b>207,655</b>	<b>216,499</b>
Consulting expenses				
Legal fees	47,089	57,306	47,089	57,306
Corporate consulting	60,000	40,000	60,000	40,000
Accounting and secretarial services	9,574	113,504	9,574	113,504
Other	-	3,373	-	3,373
	<b>116,663</b>	<b>214,183</b>	<b>116,663</b>	<b>214,183</b>
Depreciation expenses				
Plant and equipment	23,358	9,107	23,358	9,107
Employment expenses				
Salaries and wages	568,139	295,164	568,139	295,164
Directors fees	167,500	81,668	167,500	81,668
Superannuation	43,552	24,852	43,552	24,852
Provisions	15,096	34,410	15,096	34,410
Share-based payments	23,750	-	23,750	-
Other	40,809	43,933	40,809	43,933
Reallocation to exploration costs	(579,368)	(272,143)	(579,368)	(272,143)
	<b>279,478</b>	<b>207,884</b>	<b>279,478</b>	<b>207,884</b>
Service fees	136,828	69,886	136,828	69,886

# Marmota Energy Limited and controlled entities

## Notes to the financial statements

### For the year ended 30 June 2009

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>4 Income tax expense</b>				
The components of tax expense comprise:				
Current income tax (expense)/benefit	-	-	-	-
Deferred tax (expense)/benefit	-	-	-	-
Tax portion of capital raising costs	-	(377,355)	-	(377,355)
Income tax (expense)/benefit reported in the Income Statement	-	(377,355)	-	(377,355)

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie income tax (expense)/benefit calculated at 30% on loss from ordinary activities	64,903	54,021	64,903	54,021
Tax effect of:				
Deferred tax asset in respect of tax losses not brought to account	(64,903)	(54,021)	(64,903)	(54,021)
Tax portion of capital raising costs	-	(377,355)	-	(377,355)
Income tax (expense)/benefit attributable to loss from ordinary activities	-	(377,355)	-	(377,355)

#### Income tax losses

Deferred tax asset arising from carried forward tax losses not recognised at reporting date as the asset is not regarded as meeting the probable criteria  
- tax losses at 30%

1,793,862	870,017	1,764,821	870,017
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### 5 Remuneration of Directors and key management personnel

#### (a) Directors and key management personnel

The names and positions held by Directors and key management personnel of the Company during the financial year are:

Directors	Position
Mr RM Kennedy	Chairman – Non-executive
Mr RG Nelson	Director – Non-executive
Mr GS Davis	Director – Non-executive
Dr NF Alley	Director – Executive
Mr DJ Calandro	Managing Director – Executive
Mr AJ Andrejewskis	Alternate Director
Ms RC Healy	Alternate Director
Key management personnel	
Ms VK Suttell	Chief Financial Officer / Company Secretary

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

# Marmota Energy Limited and controlled entities

## Notes to the financial statements

For the year ended 30 June 2009

### (b) Directors and key management personnel equity remuneration, holdings and transactions

Shares	Balance 1/07/08	Received as remuneration	Options exercised	Net change Other <sup>1</sup>	Balance 30/06/09	Total held in escrow 30/06/09
<b>Held by Directors in own name</b>						
Mr RM Kennedy	1	-	-	-	1	-
Mr RG Nelson	1	-	-	-	1	-
Mr GS Davis	1	-	-	-	1	-
Dr NF Alley	1	-	-	-	1	-
Mr DJ Calandro	-	-	-	-	-	-
Mr AJ Andrejewskis	-	-	-	-	-	-
Ms RC Healy	-	-	-	-	-	-
	4	-	-	-	4	-
<b>Held by Directors' personally related entities</b>						
Mr RM Kennedy	3,146,666	-	-	-	3,146,666	2,740,000
Mr RG Nelson	940,000	-	-	-	940,000	900,000
Mr GS Davis	2,950,000	-	-	-	2,950,000	2,825,000
Dr NF Alley	2,700,000	-	-	-	2,700,000	2,700,000
Mr DJ Calandro	2,080,000	-	-	-	2,080,000	2,040,000
Mr AJ Andrejewskis	-	-	-	-	-	-
Ms RC Healy	-	-	-	-	-	-
<b>Total held by Directors</b>	11,816,670	-	-	-	11,816,670	11,205,000
<b>Key management personnel excluding Directors</b>						
Ms VK Suttell	30,000	-	-	-	30,000	-
<b>Total</b>	11,846,670	-	-	-	11,846,670	11,205,000
<b>Shares</b>						
	<b>Balance 1/07/07</b>	<b>Received as remuneration</b>	<b>Options exercised</b>	<b>Net change other<sup>1</sup></b>	<b>Balance 30/06/08</b>	<b>Total held in escrow 30/06/08</b>
<b>Held by Directors in own name</b>						
Mr RM Kennedy	1	-	-	-	1	-
Mr RG Nelson	1	-	-	-	1	-
Mr GS Davis	1	-	-	-	1	-
Dr NF Alley	1	-	-	-	1	-
Mr DJ Calandro	-	-	-	-	-	-
Mr NJ Smart	-	-	-	-	-	-
Mr BA Williams	-	-	-	-	-	-
	4	-	-	-	4	-
<b>Held by Directors' personally related entities</b>						
Mr RM Kennedy	5,700,000	-	-	(2,553,334)	3,146,666	2,740,000
Mr RG Nelson	3,300,000	-	-	(2,360,000)	940,000	900,000
Mr GS Davis	3,000,000	-	-	(50,000)	2,950,000	2,825,000
Dr NF Alley	3,000,000	-	-	(300,000)	2,700,000	2,700,000
Mr DJ Calandro	-	-	-	2,080,000	2,080,000	2,040,000
Mr NJ Smart	-	-	-	440,000	440,000	440,000
Mr BA Williams	-	-	-	16,000	16,000	8,000
<b>Total held by Directors</b>	15,000,004	-	-	(2,727,334)	12,272,670	11,653,000
<b>Key management personnel excluding Directors</b>						
Ms VK Suttell	-	-	-	30,000	30,000	-
Mr DA Francese	-	-	-	720,000	720,000	720,000
Mr DS Cosentino	-	-	-	8,000	8,000	4,000
<b>Total</b>	15,000,004	-	-	(1,969,334)	13,030,670	12,377,000

1. Net Change other represents shares purchased and/or sold during the financial year.

# Marmota Energy Limited and controlled entities

## Notes to the financial statements

For the year ended 30 June 2009

### (b) Directors and key management personnel equity remuneration, holdings and transactions (continued)

Options	Option class	Balance 1/07/08	Received as remun- eration	Options exercised	Net change other	Balance 30/06/09	Total vested 30/06/09	Total exer- cisable 30/06/09
<b>Held by Directors in own name</b>								
Mr RM Kennedy		-	-	-	-	-	-	-
Mr RG Nelson		-	-	-	-	-	-	-
Mr GS Davis		-	-	-	-	-	-	-
Dr NF Alley		-	-	-	-	-	-	-
Mr DJ Calandro		-	-	-	-	-	-	-
Mr AJ Andrejewskis		-	-	-	-	-	-	-
Ms RC Healy		-	-	-	-	-	-	-
<b>Directors' personally related entities</b>								
Mr RM Kennedy	(a)	1,350,000	-	-	-	1,350,000	1,350,000	-
Mr RG Nelson	(a)	450,000	-	-	-	450,000	450,000	-
Mr GS Davis	(a)	1,350,000	-	-	-	1,350,000	1,350,000	-
Dr NF Alley	(a)	1,350,000	-	-	-	1,350,000	1,350,000	-
Mr DJ Calandro	(a)	1,000,000	-	-	-	1,000,000	1,000,000	-
Mr DJ Calandro	(b)	-	250,000	-	-	250,000	250,000	250,000
Mr AJ Andrejewskis		-	-	-	-	-	-	-
Ms RC Healy		-	-	-	-	-	-	-
<b>Total held by Directors</b>		<b>5,500,000</b>	<b>250,000</b>	<b>-</b>	<b>-</b>	<b>5,750,000</b>	<b>5,750,000</b>	<b>250,000</b>
<b>Key management personnel excluding Directors</b>								
Ms VK Suttell	(b)	-	175,000	-	-	175,000	175,000	175,000
<b>Total</b>		<b>5,500,000</b>	<b>425,000</b>	<b>-</b>	<b>-</b>	<b>5,925,000</b>	<b>5,925,000</b>	<b>425,000</b>

Options	Option class	Balance 1/07/07	Received as remun- eration	Options exercised	Net change other	Balance 30/06/08	Total vested 30/06/08	Total exer- cisable 30/06/08
<b>Held by Directors in own name</b>								
Mr RM Kennedy		-	-	-	-	-	-	-
Mr RG Nelson		-	-	-	-	-	-	-
Mr GS Davis		-	-	-	-	-	-	-
Dr NF Alley		-	-	-	-	-	-	-
Mr DJ Calandro		-	-	-	-	-	-	-
Mr NJ Smart		-	-	-	-	-	-	-
Mr BA Williams		-	-	-	-	-	-	-
<b>Directors' personally related entities</b>								
Mr RM Kennedy	(a)	-	-	-	1,350,000	1,350,000	1,350,000	-
Mr RG Nelson	(a)	-	-	-	450,000	450,000	450,000	-
Mr GS Davis	(a)	-	-	-	1,350,000	1,350,000	1,350,000	-
Dr NF Alley	(a)	-	-	-	1,350,000	1,350,000	1,350,000	-
Mr DJ Calandro	(a)	-	-	-	1,000,000	1,000,000	1,000,000	-
Mr NJ Smart		-	-	-	220,000	220,000	220,000	-
Mr BA Williams		-	-	-	-	-	-	-
<b>Total held by Directors</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>5,720,000</b>	<b>5,720,000</b>	<b>5,720,000</b>	<b>-</b>
<b>Key management personnel excluding Directors</b>								
Ms VK Suttell		-	-	-	-	-	-	-
Mr DA Francese	(a)	-	-	-	360,000	360,000	360,000	-
Mr DS Cosentino		-	-	-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>6,080,000</b>	<b>6,080,000</b>	<b>6,080,000</b>	<b>-</b>

(a) Unlisted Options exercisable at \$0.40 by 11/07/2012, escrowed until 12/11/2009.

(b) Unlisted Options exercisable at \$0.04 by 23/12/2013.

# Marmota Energy Limited and controlled entities

## Notes to the financial statements

### For the year ended 30 June 2009

#### (b) Directors and key management personnel equity remuneration, holdings and transactions (continued)

No options previously granted to Directors or Director related entities were exercised during the year.

#### Other key management personnel transactions

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with key management personnel, refer to Note 25: Related parties.

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$

#### 6 Auditors' remuneration

Audit services:

Auditors of the Company – Grant Thornton

Audit and review of the financial reports

Provision of an independent accountant's report

23,000	21,000	23,000	21,000
-	2,400	-	2,400
23,000	23,400	23,000	23,400

#### 7 Earnings per share

##### (a) Classification of securities

All ordinary shares have been included in basic earnings per share.

##### (b) Classification of securities as potential ordinary shares

- 28,000,000 unlisted options exercisable at \$0.40 by 11/07/2012
- 625,000 unlisted options exercisable at \$0.04 by 23/12/2013

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$

##### (c) Earnings used in the calculation of earnings per share

Profit/(loss) from ordinary activities after related income tax expense

(216,344)	(557,425)	(216,344)	(557,425)
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##### (d) Weighted average number of shares outstanding during the year in calculating earnings per share

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	No	No	No	No

##### Number for basic earnings per share

Ordinary shares

120,721,009	84,084,202	120,721,009	84,084,202
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##### Number for diluted earnings per share

120,846,009	84,084,202	120,846,009	84,084,202
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# Marmota Energy Limited and controlled entities

## Notes to the financial statements

For the year ended 30 June 2009

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>8 Cash and cash equivalents</b>				
Cash at bank	65,588	347,560	65,587	347,559
Deposits at call	920,000	3,570,000	920,000	3,570,000
	<u>985,588</u>	<u>3,917,560</u>	<u>985,587</u>	<u>3,917,559</u>
<b>9 Trade and other receivables</b>				
<b>Current</b>				
Other debtors	242,691	561,414	242,691	561,414
Loan to parent	603	-	603	-
Loan to subsidiary	-	-	96,805	96,805
Loan to associate	164,018	97,018	164,018	97,018
	<u>407,312</u>	<u>658,432</u>	<u>504,117</u>	<u>755,237</u>
Other receivables represent accrued interest receivable and GST refunds. Receivables are not considered past due and impaired.				
<b>10 Other current assets</b>				
Prepayments	18,921	15,593	18,921	15,593
<b>11 Financial assets</b>				
<b>Held-to-maturity investments</b>				
Fixed interest short term deposit	7,460,890	8,000,000	7,460,890	8,000,000
<b>12 Plant and equipment</b>				
<b>Plant and equipment</b>				
At cost	371,044	289,125	371,044	289,125
Accumulated depreciation	(92,020)	(17,968)	(92,020)	(17,968)
	<u>279,024</u>	<u>271,157</u>	<u>279,024</u>	<u>271,157</u>
Net book value	279,024	271,157	279,024	271,157
<b>Reconciliations</b>				
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:				
<b>Plant and equipment</b>				
Carrying amount at beginning of year	271,157	-	271,157	-
Additions	85,391	289,125	85,391	289,125
Disposals	(3,472)	-	(3,472)	-
Accumulated depreciation	(74,052)	(17,968)	(74,052)	(17,968)
	<u>279,024</u>	<u>271,157</u>	<u>279,024</u>	<u>271,157</u>
Carrying amount at end of year	279,024	271,157	279,024	271,157

## Marmota Energy Limited and controlled entities

### Notes to the financial statements

#### For the year ended 30 June 2009

#### 13 Investments in associates

Interests are held in the following associated companies.

Name	Principal activities	Country of incorporation	Shares	Ownership interest		Carrying amount of investment	
				2009	2008	2009	2008
Unlisted							
Groundhog Services Pty Ltd	Administration services	Australia	Ord	50%	50%	1	1

There have been no movements of equity accounted investments in associated entities during the year.

(a) Summarised presentation of aggregate assets, liabilities and performance associates

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Current assets	190,181	126,812	190,181	126,812
Non-current assets	236,591	30,183	236,591	30,183
Total assets	426,772	156,995	426,772	156,995
Current liabilities	(334,922)	(156,993)	(334,922)	(156,993)
Non-current liabilities	(91,848)	-	(91,848)	-
Total liabilities	(422,270)	(156,993)	(422,270)	(156,993)
Net assets	2	2	2	2
Share of associate's profit after tax	-	-	-	-

#### 14 Joint ventures

The Group has the following interests in unincorporated joint ventures.

No	State	Agreement name	Parties	Summary
1	SA	Farm-in & Joint Venture Agreement	Marmosa Pty Ltd (MSA) and Monax Mining Limited (MOX)	MOX gives MSA exclusive right to conduct exploration for uranium on areas covered by Exploration Licences EL 3355, EL 3356, EL 3357, EL 3359, EL 3458, EL 3561, EL 3684, EL 3685, EL 3775. Once MSA has spent \$4 million on exploration it will have earned 25% interest with a further spend of \$4 million required for an additional 25%
2	SA	Ambrosia Farm-in & Joint Venture Agreement	Marmosa Pty Ltd (MSA) and Monax Mining Limited (MOX)	MOX gives MSA the right to explore for all minerals in the area covered by Exploration Licence EL 3358. During the financial year, MSA has achieved its first \$1 million earn in and now has a 25% interest with a further 25% able to be earned.
3	SA	Mineral Rights Transfer & Joint Venture Agreement	Marmosa Pty Ltd (MSA) and Monax Mining Limited (MOX)	MSA transfers to MOX 100% of its interests in minerals other than uranium and 30% of its interests in uranium for areas covered by the following Exploration Licences: EL 3907, EL 3908, EL 3909, EL 3910, and EL 3911. MSA and MOX enter into a joint venture to explore for uranium.

## Marmota Energy Limited and controlled entities

### Notes to the financial statements

#### For the year ended 30 June 2009

#### 15 *Controlled entities*

(a) Controlled entities consolidated

	Country of incorporation	Percentage owned (%)	
		2009	2008
<b>Parent entity:</b>			
Marmota Energy Limited*	Australia	-	-
<b>Subsidiaries of Marmota Energy Limited:</b>			
Marmosa Pty Ltd	Australia	100	100

\* Marmota Energy Limited is a subsidiary of Monax Mining Limited which is incorporated and domiciled in Australia.

(b) The investment in Groundhog Services Pty Ltd has been classified as a financial asset at cost of \$1 in the balance sheet.

#### 16 *Exploration and evaluation expenditure*

	Note	Consolidated		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
Costs carried forward in respect of areas of interest in:					
Exploration and evaluation phase	(i)	14,881,192	12,146,007	5,294,788	2,559,603
Total exploration and evaluation expenditure		14,881,192	12,146,007	5,294,788	2,559,603

The ultimate recoupment of costs carried forward for exploration phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

#### (i) Reconciliation

A reconciliation of the carrying amount of exploration and/or evaluation phase expenditure is set out below.

	Consolidated		Parent Entity		
	2009	2008	2009	2008	
		\$	\$	\$	\$
Carrying amount at beginning of year	12,146,007	-	2,559,603	-	
Additional costs capitalised during the year	2,735,185	2,559,603	2,735,185	2,559,603	
Shares issued to acquire exploration rights	-	9,586,404	-	-	
Carrying amount at end of year	14,881,192	12,146,007	5,294,788	2,559,603	

# Marmota Energy Limited and controlled entities

## Notes to the financial statements

For the year ended 30 June 2009

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>17 Trade and other payables</b>				
Trade creditors	35,019	608,612	35,019	608,612
Other creditors and accruals	72,475	232,747	72,475	232,747
Amounts payable to Director related entities*	6,427	70,886	6,427	70,886
	<u>113,921</u>	<u>912,245</u>	<u>113,921</u>	<u>912,245</u>

\* Details of amounts payable to Director related entities are detailed in Note 25.

## 18 Provisions

### Current

Employee entitlements	30,235	23,759	30,235	23,759
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### Non-current

Employee entitlements	19,271	10,651	19,271	10,651
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### Provision for long service leave

A provision for long service leave has been recognised for employee entitlements. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

## 19 Issued capital

### Issued and paid-up share capital

120,721,009 (2008: 120,721,009) ordinary shares, fully paid	22,187,511	22,187,511	22,187,511	22,187,511
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### (a) Ordinary shares

Balance at the beginning of year	22,187,511	18,005	22,187,511	18,005
Shares issued during the year				
Nil (2008: 6,642,000) shares issued at \$0.125 per share as seed capital	-	830,250	-	830,250
Nil (2008: 60,000,000) shares issued to shareholders as part of the IPO at \$0.25	-	15,000,000	-	15,000,000
Nil (2008: 36,000,000) shares issued for the acquisition of Marmosa Pty Ltd	-	7,200,000	-	7,200,000
Nil (2008: 79,004) shares issued to option holders on exercise of options at \$0.25	-	19,751	-	19,751
Less transaction costs arising from issue of shares net of tax	-	(880,495)	-	(880,495)
Balance at end of year	<u>22,187,511</u>	<u>22,187,511</u>	<u>22,187,511</u>	<u>22,187,511</u>

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

# Marmota Energy Limited and controlled entities

## Notes to the financial statements

For the year ended 30 June 2009

### 19 Issued capital (continued)

#### (b) Options

For information relating to share options issued to Executive Directors during the financial year, refer to Note 5.

For information relating to the Marmota Energy Limited Employee Share Option Plan including details of any options issued, exercised and lapsed during the financial year, refer to Note 20.

At 30 June 2009, there were 28,625,000 (2008: 28,000,000) unissued shares for which the following options were outstanding.

- 28,000,000 unlisted options exercisable at \$0.40 by 11/07/2012.
- 625,000 unlisted options exercisable at \$0.04 by 23/12/2013

### 20 Share-based payments

The following share-based payment arrangements existed at 30 June 2009:

Parent entity	2009		2008	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Outstanding at the beginning of the year	-	-	-	-
Granted – December 2008	625,000	0.04	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year-end	<u>625,000</u>		<u>-</u>	
Exercisable at year-end	<u>625,000</u>		<u>-</u>	

On 23 December 2008, 625,000 share options were granted to employees under the Marmota Energy Limited Employee Share Option Plan to take up ordinary shares at an exercise price of \$0.04 each. These options are exercisable on or before 23 December 2013.

The options are non transferable except as allowed under the Employee Share Option Plan and are not quoted securities. At balance date, no share options had been exercised.

All options granted to key management personnel are over ordinary shares in Marmota Energy Limited, which confer a right of one ordinary share for every option held.

The weighted average fair value of the options granted in December 2008 is \$0.038 This price was calculated by using the Black-Scholes option pricing model applying the following inputs:

#### December 2008 issue

Weighted average exercise price	\$0.04
Weighted average life of the option	1,825 days
Underlying share price	\$0.04
Expected share price volatility	181%
Risk free interest rate	4.25%

# Marmota Energy Limited and controlled entities

## Notes to the financial statements

For the year ended 30 June 2009

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### 20 *Share-based payments (continued)*

The life of the options is based on the days remaining until expiry.

Included under employee benefits expense in the income statement is \$23,750 (2008: \$nil), and relates, in full, to equity-settled share-based payment transactions.

Options granted to Executive Directors and key management personnel on share-based payments are as follows:

Grant Date	Number
23 December 2008	425,000

### 21 *Financial risk management*

The Group's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable and loans to and from subsidiaries and related entities. The main risks the Group are exposed to through its financial instruments are interest rate risk and credit risk.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	985,588	3,917,560	985,587	3,917,559
Held-to-maturity investments				
- Fixed interest securities	7,460,890	8,000,000	7,460,890	8,000,000
Loans and receivables	407,312	658,432	504,116	755,116
	<u>8,853,790</u>	<u>12,575,992</u>	<u>8,950,593</u>	<u>12,672,675</u>
Financial liabilities				
Trade and other payables	113,921	912,245	113,921	912,245
	<u>113,921</u>	<u>912,245</u>	<u>113,921</u>	<u>912,245</u>

# Marmota Energy Limited and controlled entities

## Notes to the financial statements

For the year ended 30 June 2009

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### 21 *Financial risk management (continued)*

#### *(a) Treasury risk management*

The Board meets on a regular basis to analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the consolidated group in managing its cash flows and it does so by reviewing its cash flow requirements in light of planned exploration and overhead activity.

#### *(b) Interest rate risk*

Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The company has no long term financial liabilities upon which it pays interest. Cash is held in an interest yielding cheque account and on short term call deposit where the interest rate is both fixed and variable according to the financial asset.

Interest rate risk is managed with a mixture of fixed and floating rate cash deposits. At 30 June 2008 approximately 99% of group deposits are fixed. It is the policy of the group to keep between 90% and 100% of surplus cash in high yielding deposits. It has where possible placed funds on deposit with financial institutions in order to receive the benefit of available government guarantees.

As at 30 June 2009, the Group has cash at bank of \$65,588 (2008: 347,560) with the weighted average effective interest rate for the period being 4.8% (2008: 4.4%). As at 30 June 2009, the Group holds deposits of \$8,380,890 (2008: 11,570,000) with the weighted average effective interest rate for the period being 5.63% (2008: 7.34%).

#### *(c) Credit risk exposures*

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The maximum exposure to credit risk on financial assets, excluding investments, of the entity which have been recognised in the Balance Sheet, is the carrying amount, net of any provision for doubtful debts.

No receivables are considered past due or impaired at balance date.

#### *(d) Liquidity risk*

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by monitoring forecast cash flows.

#### *(e) Net fair values of financial assets and liabilities*

Fair values are amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms length transaction.

The net fair values of financial assets and liabilities are determined by the entity on the following bases:

- (i) Monetary financial assets and financial liabilities not readily traded in an organised financial market are carried at book value and where relevant adjusted for any changes in exchange rates.
- (ii) Non monetary financial assets and financial liabilities are recognised at their carrying values recognised in the balance sheet.

# Marmota Energy Limited and controlled entities

## Notes to the financial statements

For the year ended 30 June 2009

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### 22 Commitments & contingent liabilities

#### (a) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Company will be required to outlay in the year ending 30 June 2010 amounts of approximately \$1,490,000 to meet minimum expenditure requirements pursuant to various joint venture requirements and those specified by the State Government of South Australia. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report.

#### (b) Operating lease commitments

The Company has signed a letter of support for its 50% owned associate Groundhog Services Pty Ltd ("Groundhog"). Effective 1 July 2008, Groundhog will provide company secretarial and financial services, tenement management, office administration, logistical support and office accommodation. Groundhog has entered into a non-cancellable operating lease commencing in August 2008 for a five year period for office and warehouse accommodation.

	Note	Consolidated		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>Non-cancellable operating lease expense commitments</b>					
Future operating lease commitments not provided for in the financial statements and payable:					
Within one year		161,686	177,546	-	39,690
One year or later and no later than five years		536,912	676,433	-	-
Later than five years		-	22,165	-	-
		<u>698,598</u>	<u>876,144</u>	<u>-</u>	<u>39,690</u>

#### (c) Contingent liabilities

In 2007 Marmosa Pty Ltd was acquired by Marmota Energy Limited from Monax Mining Limited. Revenue SA is currently considering whether stamp duty is payable on the basis that Marmosa Pty Ltd is a land rich company, rather than payable on the shares transferred. The matter is being disputed and the maximum potential stamp duty liability is \$158,000.



## Marmota Energy Limited and controlled entities

### Notes to the financial statements

#### For the year ended 30 June 2009

	Note	Consolidated		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>23 Notes to the statements of cash flows</b>					
<b>(a) Cash at the end of the financial year consists of the following:</b>					
Cash at bank and at call	8	985,588	3,917,560	985,587	3,917,559
Financial Assets	11	7,460,890	8,000,000	7,460,890	8,000,000
		<u>8,446,478</u>	<u>11,917,560</u>	<u>8,446,477</u>	<u>11,917,559</u>
<b>(b) Reconciliation of profit/(loss) from ordinary activities after income tax to net cash provided by/(used in) operating activities</b>					
Profit/(loss) from ordinary activities after income tax		(216,344)	(557,425)	(216,344)	(557,425)
Add/(less) non cash items					
Depreciation		74,351	17,968	74,351	17,968
Share-based payments		23,750	-	23,750	-
Income tax expense		-	377,355	-	377,355
Changes in operating assets and liabilities					
(Increase)/decrease in prepayments		(3,328)	20,440	(3,328)	20,440
(Increase)/decrease in receivables		318,724	(558,862)	318,724	(558,862)
(Decrease)/increase in accounts payable		(93,027)	197,089	(93,028)	197,089
(Decrease)/increase in provisions		15,095	34,410	15,095	34,410
Net cash provided by/(used in) operating activities		<u>119,221</u>	<u>(469,025)</u>	<u>119,220</u>	<u>(469,025)</u>
<b>24 Employee entitlements</b>					
Aggregate liability for employee entitlements, including on-costs					
Current	18	30,235	23,759	30,235	23,759
Non-current	18	19,271	10,651	19,271	10,651
		<u>49,506</u>	<u>34,410</u>	<u>49,506</u>	<u>34,410</u>
<b>Number of employees</b>					
Number of employees at year end		5	4	5	4

# Marmota Energy Limited and controlled entities

## Notes to the financial statements

### For the year ended 30 June 2009

#### 25 Related parties

##### Directors' transactions with the Company

A number of Directors of the Company, or their Director related entities, held positions in other entities during the financial year that result in them having control or significant influence over the financial or operating policies of those entities.

The terms and conditions of the transactions with Directors and their Director related entities were no more favourable to the Directors and their Director related entities than those available, or which might reasonably be expected to be available, on similar transactions to Non-director related entities on an arm's length basis.

The aggregate amounts recognised during the year (excluding re-imbursement of expenses incurred on behalf of the Company) relating to Directors and their Director related entities were as follows:

Director	Transaction	Note	Consolidated		Parent Entity	
			2009	2008	2009	2008
			\$	\$	\$	\$
GS Davis	Payments to an entity of which the Director is a partner in respect of legal fees		64,218	104,140	64,218	104,140
Parent entity	Payments to a Director related entity for Company Secretarial services, tenement management and office administration and logistical support.	(i)	42,125	124,795	42,125	124,795
Associated entity	Payments to a Director related entity for Company Secretarial services, tenement management and office administration and logistical support.		281,909	6,870	281,909	6,870

(i) This amount relates to the provision of Company Secretarial, financial, tenement management and office administration services by Monax Mining Limited.

Amounts receivable from and payable to Directors and their Director related entities at balance date arising from these transactions were as follows:

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Current receivables				
Trade debtors	-	-	-	-
Loan to parent	603	-	603	-
Loan to subsidiary	-	-	96,805	96,805
Loan to associate	164,018	97,018	164,018	97,018
	<u>164,621</u>	<u>97,018</u>	<u>261,426</u>	<u>193,823</u>
Current payables				
Amounts payable to director related entities*	6,427	7,558	6,427	70,886
Amounts payable to directors	114	-	114	-
	<u>6,541</u>	<u>7,558</u>	<u>6,541</u>	<u>70,886</u>

\* Amounts payable to director related entities represents amounts payable to DMAW Lawyers for which Mr Davis is a partner.

## **Marmota Energy Limited and controlled entities**

### **Notes to the financial statements**

**For the year ended 30 June 2009**

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#### **26 *Segment reporting***

The Company operates in the exploration and mining business segment located in Australia.

#### **27 *Events subsequent to balance date***

There have not arisen any matters or circumstances, since the end of the financial year which significantly affected or could affect the operations of the Company, the results of those operations, or the state of the Company in future years.

#### **28 *Reserves***

Share options reserve – the share options reserve records items recognised as expenses on valuation of employee share options.

#### **29 *Company details***

The registered office of the Company is:

140 Greenhill Road

UNLEY SA 5061

The principal place of business is

Unit I, 5 Butler Boulevard

Burbridge Business Park,

ADELAIDE AIRPORT SA 5950

# Marmota Energy Limited

## Directors' Declaration

For the year ended 30 June 2009

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### Directors' Declaration

1 In the opinion of the Directors of Marmota Energy Limited:

- (a) the financial statements and notes, as set out on pages 13 to 35, are in accordance with the Corporations Act 2001, and:
  - (i) giving a true and fair view of the financial position of the Company as at 30 June 2009 and of the performance for the year ended on that date of the Company and consolidated group; and
  - (ii) complying with Accounting Standards; and
- (b) The Chief Executive Officer and Chief Financial Officer have declared that:
  - (i) The financial records of the Company for the financial year have been properly maintained in accordance with s286 of the Corporations Act 2001;
  - (ii) The financial statements and notes for the financial year comply with the accounting standards; and
  - (iii) The financial statement and notes for the financial year give a true and fair view;
- (c) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated at Adelaide this 24<sup>th</sup> day of September 2009.



Robert Michael Kennedy  
*Director*



# Grant Thornton

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARMOTA ENERGY LIMITED**

### **Report on the Financial Report**

We have audited the accompanying financial report of Marmota Energy Limited, (the company) which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

### **Directors' responsibility for the financial report**

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARMOTA ENERGY LIMITED Cont**

### **Auditor's responsibility Cont**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Independence**

In conducting our audit, we complied with applicable independence requirements of the Corporations Act 2001.

### **Auditor's opinion**

In our opinion:

- a the financial report of Marmota Energy Limited is in accordance with the Corporations Act 2001, including:
  - i giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

### **Report on the Remuneration Report**

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



# Grant Thornton

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF MARMOTA ENERGY LIMITED Cont**

**Auditor's opinion**

In our opinion the Remuneration Report of Marmota Energy Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON  
South Australian Partnership  
Chartered Accountants



S J Gray  
Partner

Signed at Wayville on this 24<sup>th</sup> day of September 2009